

Message Text

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ACTION IO-14

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E.O. 11652: N/A

TAGS: FAO, EAGR

SUBJECT: FAO WORLD FOOD MEETING

FODAG

SUMMARY: ALTHOUGH AGREED AT OUTSET NO JOINT STATEMENT WOULD BE ISSUED, MEETING PRODUCED GENERAL CONSENSUS THAT WORLD GRAIN SITUATION HAD SUBSTANTIALLY IMPROVED SINCE BOERMA ISSUED CALL FOR MEETING AUG. 29. EXPORTERS FURTHER AGREED THAT ALTHOUGH WORLD WHEAT SITUATION WILL CONTINUE TIGHT, CRISIS DOES NOT EXIST AND NO NEED FOR FURTHER SPECIAL MEETINGS OF THIS TYPE UNLESS THERE IS UNEXPECTED DEVELOPMENT. DELEGATES AGREED SITUATION WOULD BE KEPT UNDER REVIEW THROUGH REGULARLY SCHEDULED MEETINGS INCLUDING THE FAO CONFERENCE IN NOVEMBER.

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1. REPRESENTATIVES U.S., CANADA, AUSTRALIA, ARGENTINA, FRANCE, EC COMMISSION AND OTHER EC MEMBER STATE MET AT FAO HEADQUARTERS IN ROME SEPT. 20 UNDER SPONSORSHIP OF FAO DIRECTOR-GENERAL BOERMA WHO HAD CALLED MEETING TO REVIEW WORLD GRAIN SITUATION AND DETERMINE ACTIONS THAT MIGHT BE NECESSARY TO ASSURE GRAIN IMPORT REQUIREMENTS IN DEVELOPING COUNTRIES WILL BE MET DURING CURRENT 1973/74 MARKETING YEAR.

2. US DELEGATION HEADED BY BELL MET WITH BOERMA BEFORE MEETING AT LATTERS REQUEST. HE SAID HE APPERCIATED US CONCERN ABOUT HIS FAILING TO CONSULT WITH US AND OTHER EXPORTING COUNTRIES BEFORE ISSUING CALL FOR SPECIAL MEETING. "WOULD US HAVE AGREED TO COME IF I HAD CONSULTED IN ADVANCE?" BOERMA ASKED BELL, BELL REPLIED, "PROBABLY, NO." "THATS THE ANSWER I WOULD HAVE GOTTEN FROM ALL THE EXPORTING COUNTRIES". BOERMA REPLIED, ADDING THAT HE HAD BEEN UNDER HEAVY PRESSURE FROM DEVELOPING COUNTRIES FOR SPECIAL MEASURES TO ASSURE ADEQUATE SUPPLIES. EXPORTERS MEETING APPEARED TO BE BEST WAY OF HANDLING ISSUE.

3. BOERMA OPENED MEETING WITH RUNDOWN OF REASONS FOR CALLING SPECIAL MEETING: AUGUST REPORT OF IWC SHOWING LARGER GAP BETWEEN DEMAND AND SUPPLY OF WHEAT; COMPLAINTS OF DEVELOPING COUNTRIES ABOUT HIGH PRICES; DINISHED COMMODITY AVAILABILITIES FOR WORLD FOOD PROGRAM AND REPORTS DONOR COUNTRIES WERE CUTTING BILATERAL FOOD AID PROGRAMS; PAKISTAN FLOODS, AFRICAN SITUATION AND LACK OF ADEQUATE FOOD RESERVES TO COPE WITH MEW EMERGENCIES. SAID HE HAD BEEN IN CONTINUOUS CORRESPONDENCE WITH APPROPRIATE FOOD POLICY OFFICIALS OF MAJOR EXPORTING COUNTRIES SINCE LAST DECEMBER BUT FELT SITUATION WAS SUCH THAT SPECIAL MEETING WAS NECESSARY.

4. IWC EXECUTIVE SECRETARY PAROTTE THEN SUMMARIZED MEETING OF EWC ADVISORY SUB-COMMITTEE ON MARKET CONDITIONS WHICH MET ON SEP, 18 AS FORECASTION A GAP OF AT MOST 6 MILLION TONS COMPARED WITH A GAP OF 9 MILLION TONS IN AUGUST ASMC REPORT.

5. ALL EXPORTING COUNTRIES IN OPENING STATEMENTS SAID THEY WERE OPPOSED TO COMMUNIQUE OR JOINT STATEMENT. EC, CANADA AND AUSTRALIA INDICATED THEIR LIMITED OFFICIAL USE

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EXPORT AVAILABILITIES MIGHT ACTUALLY BE HIGHER THAN IWC REPORTS BUT WERE RELICTANT TO REVISE FIGURES UNTIL HARVESTS FURTHER ALONG. THEY IN AFFECT CONFIRMED US VIEW THAT NO REAL GAP EXISTS AT PRESENT.

6. BOERMA PRESSED EC ON SUBSIDY FOR WHEAT USE. RABAT DEFENDED POLICY ON GROUNDS THAT EC COULD NOT RELY ON EXTERNAL SOURCES OF SUPPLY FOR FEEDGRAINS AND PRICES OF

IMPORTED FEEDGRAINS STILL TOO HIGH. OBVIOUS, HOWEVER, THAT HIS HEART WAS NOT IN DEFENSE OF PERSENT POLICY. CAUTIONED DG AND OTHERS THAT PRESSURE ON EC FROM FAO AND OTHER EXPORTERS ON THIS ISSUR WOULD STIFFEN RESISTANCE TO CHANGE OF POLICY WITHIN COMMUNITY. US DELEGATION AGREES AND BELIEVES US OFFICALS SHOULD REFRAIN FROM OPENLY ATTACKING EC ON THIS ISSUE. ALTHOUGH BOERMA SAID HE WAS RELIEVED SUPPLY SITUATION SEEMED TO HAVE IMPROVED SUBSTANTIALLY SINCE HES CALL FOR THE MEETION, BUT HE WAS STILL CONCERNED THAT DEVELOPING COUNTRIES WERE BEING FORCED TO REDUCE CONSUMPTION BECAUSE OF HIGH PRICES. EXPORTERS REFUSED TO PREDICT FUTURE PRICE DEVELOPMENTS BUT SAID THEY WOULD MEET THEIR FOOD AID CONVENTION OBLIGATIONS. EC PROMISED TO MAKE UP ARREARS AND MEET CURRENT FAC OBLIGATIONS IN FULL IN 1973/74. AUSTRALIA AND CANADA SAID THEY WOULD ALSO MAINTAIN CREDIT SALES TO DEVELOPING COUNTRIES.

7. WORLD FOOD PROGRAM DIRECTOR AQUINO POINTED OUT THAT HE HAD DECIDED PROPOSE NO NEW PROGRAMS BUT STILL FACED A DEFICIT OF MORE THAN 100,000 TONS IN CARRYING OUT PROJECTS ALREADY UNDERTAKEN; ASSUMING ALL DONORS MEET THEIR C
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